

HILL, LEWIS, ADAMS, GOODRICH & TAIT

32ND FLOOR

100 RENAISSANCE CENTER  
DETROIT, MICHIGAN 48243

TELEPHONE (313) 259-3232

CABLE ADDRESS: HILL

SHERWIN A. HILL (1885-1961)  
EDWARD T. GOODRICH (1902-1976)

CHARLES E. LEWIS  
THOMAS H. ADAMS  
GARLAND D. TAIT  
OF COUNSEL

OAKLAND COUNTY OFFICE  
101 SOUTHFIELD ROAD  
BIRMINGHAM, MICHIGAN 48009  
TELEPHONE 642-9692

JAY W. SORGE  
ELLIOTT H. PHILLIPS  
WILLIAM W. SLOCUM, JR.  
THOMAS E. COULTER  
MARTIN C. OETTING  
LEE B. DURHAM, JR.  
W. MERRITT JONES, JR.  
DOUGLAS H. WEST  
TIMOTHY W. MAST  
TIMOTHY D. WITTLINGER  
ROBERT J. MACHUS  
MARK K. WILSON  
ROBERT J. LEIDICH  
THOMAS N. BURNHAM  
JOHN D. MABLEY  
GEORGE E. KUEHN  
RICHARD C. SANDERS  
ROBERT B. STEVENSON  
CLEVELAND THURBER III  
NANCY L. HUTCHESON  
STEPHEN I. GREENHALGH  
ROBERT A. W. STRONG

8 0161013

January 16, 1978

JAN 16 1978

JAN 16 1978

Washington, D.C.

RECORDATION NO. 8488-A Filed & Recorded

JAN 16 1978-9 30 AM

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission  
Washington D.C.  
Attn: Recordations Section

Re. Lake Superior & Ishpeming Company

Dear Sir:

Enclosed for recordation please find a First Amendment Agreement. The enclosed First Amendment Agreement amends a Security Agreement recorded with the Interstate Commerce Commission on September 23, 1976 and bearing Recordation No. 8488. A check in the amount of \$10.00 is also enclosed to cover the filing fee.

Also enclosed are three copies of the First Amendment Agreement. Please stamp these copies and return them to the undersigned.

Very Truly yours,

*George E. Kuehn*

George E. Kuehn

RECEIVED  
JAN 16 1978  
CERTIFICATION UNIT

# Interstate Commerce Commission

Washington, D.C. 20423

1/16/78

OFFICE OF THE SECRETARY

George E. Kuehn  
Mill, Lewis, Adams, Goodrich & Tait  
32nd. Fl.  
100 Renaissance Center  
Detroit, Michigan 48243

Dear Sir:

The enclosed document(s) was recorded pursuant to the  
provisions of Section 20(c) of the Interstate Commerce Act,  
49 U.S.C. 20(c), on 1/16/78 at 9:30am  
and assigned recordation number(s) 8488-A

Sincerely yours,

  
H.G. Homme, Jr.  
Acting Secretary

Enclosure(s)

SE-30-T  
(6/77)

FIRST AMENDMENT AGREEMENT

First Amendment Agreement made as of the 12th day of January, 1978 by and among LAKE SUPERIOR & ISHPEMING RAILROAD COMPANY (the "Company"), THE CLEVELAND-CLIFFS IRON COMPANY (the "Guarantor"), the two Banks (the "Banks") that are parties to this First Amendment Agreement, THE CLEVELAND TRUST COMPANY as Banks' Agent (the "Agent") for the purposes of the Credit Agreement hereinafter referred to and NATIONAL BANK OF DETROIT as Security Agent (the "Security Agent") for the purposes of a certain Security Agreement dated as of September 17, 1976 (the "Security Agreement"):

WHEREAS, Company and the Banks are parties to a certain Credit Agreement dated as of September 17, 1976, which provides, among other things, for revolving credits aggregating Seven Million Dollars (\$7,000,000.00) until December 31, 1978, all upon certain terms and conditions (the "Credit Agreement");

WHEREAS, the undersigned desire to amend the Credit Agreement by increasing the revolving credits to Nine Million Dollars (\$9,000,000.00) and by making certain other amendments thereto, and to make certain amendments to the Security Agreement and a certain Guaranty Agreement dated as of September 17, 1976 executed by Guarantor and Agent in connection with the aforesaid Credit Agreement (the "Guaranty");

WHEREAS, each term used herein shall be defined in accordance with the definition appearing in the applicable document;

THEREFORE, in consideration of the premises and of the mutual covenants herein and for other valuable considerations, the undersigned agree as follows:

1. The Credit Agreement is hereby amended by deleting the amount "\$7,000,000" in the second line of section 2, the 12th line from the bottom of section 2, and the 11th line in section 3.1 and substituting in place thereof, the amount "\$9,000,000".
2. The Credit Agreement is hereby amended by deleting that portion of section 2 which reflects the maximum aggregate principal amount of each Bank's commitment in its entirety, and by substituting in place thereof the following:

<u>"Bank"</u>	<u>Address</u>	<u>Commitment</u>
The Cleveland Trust Company	900 Euclid Avenue, Cleveland, Ohio 44101, Attn: Kent Parrot, Vice President	\$5,400,000
National Bank of Detroit	611 Woodward Avenue, Detroit, Michigan 48232, Attn: Robert S. Hays, Second Vice President	\$3,600,000 \$9,000,000"

3. The Credit Agreement is hereby amended by deleting the amount "\$140,000" and the amount "\$70,000" from section 3.1 and substituting for those deleted amounts, the amount "\$180,000" and the amount "\$90,000", respectively.

4. The Credit Agreement is hereby amended by adding the following at the end of the first sentence in section 3.1 as a part thereof:

RECORDATION NO. 8488-A FILED & RECORDED

JAN 16 1978 -9 32 AM

*[Handwritten signatures and initials]*

"; provided, that in no event shall Company obtain loans pursuant to the revolving credits established hereunder, exceeding the aggregate principal amount of \$8,000,000 at any one time outstanding until the Banks have received a certified copy of resolutions of the Board of Directors of Guarantor (in form and substance satisfactory to the Banks) which authorizes Guarantor to guarantee indebtedness of Company to the Banks in an amount at least up to the aggregate principal amount of \$11,000,000 at any one time outstanding, plus interest thereon."

5. The Credit Agreement is hereby amended by deleting the amount "\$70,000" from the fifth line of section 3.4, and substituting in place thereof, the amount "\$90,000".

6. The Credit Agreement is hereby amended by adding the following at the end of the first sentence of section 3.5 as a part thereof:

"provided, however, that in the event the aggregate principal face amount of the Term Notes exceeds \$7,000,000, that portion of the unpaid principal balance from time to time of such Note (determined by multiplying such unpaid principal balance existing at the date of determination by a fraction which has as its numerator the difference between the aggregate principal face amount of the Term Notes and \$7,000,000 and has as its denominator the aggregate principal face amount of the Term Notes) shall bear interest at a rate per annum (based on a year of 360 days of twelve 30-day months) which shall be equal to the sum of (a) 120% of the prime rate of The Cleveland Trust Company (as hereinabove defined) from time to time in effect, with each change in such prime rate resulting automatically and immediately in a change in the rate calculated under this clause, plus (b) during the period from the date thereof through June 30, 1982, five-eighths of one per cent (5/8%) and during the period from July 1, 1982 through June 30, 1985, three-fourths of one per cent (3/4%)."

7. The Credit Agreement is hereby amended by deleting the third sentence of section 3.5 in its entirety, and by substituting in place thereof the following:

"If the Company elects to convert Interim Notes to Term Notes on (but not prior to) December 31, 1978, it may not convert into Term Notes more than (i) 13/14ths of the first \$7,000,000 of the then aggregate unpaid principal amount of Interim Notes, plus (ii) an amount equal to the difference, if any, between the then aggregate unpaid principal amount of Interim Notes and \$7,000,000."

8. The Credit Agreement is hereby amended by deleting the amount "\$140,000" and the amount "\$70,000" from section 3.6 and substituting in place thereof, the amount "\$180,000" and the amount "\$90,000", respectively.

9. The Credit Agreement is hereby amended by deleting the amount "\$9,000,000" from clause (x) of section 9.1(d) and substituting in place thereof, the amount "\$11,000,000".

10. The Credit Agreement is hereby amended by deleting clause (i) of section 9.1(f) in its entirety, and by substituting in place thereof the following:

"(i) the aggregate principal amount of and capitalized interest during construction on all such Debt at any one time outstanding shall not exceed \$5,000,000,"

11. The Credit Agreement is hereby amended by deleting clauses (a) and (b) of section 9.6 in their entirety, and by substituting in place thereof, the following:

"(a) the facilities for the service and maintenance of the Company's railroad property and rolling stock referred to in clause (a) of section 2, up to \$4,500,000 (including amounts heretofore committed for or expended), and (b) the Company's new coal unloading facility, up to \$5,000,000 (including capitalized interest during construction and amounts heretofore committed for or expended), unless"

12. The Credit Agreement is hereby amended by changing the numbering of section 17 to section 18 and by inserting a new section 17 as follows:

"17. Bank Credit Decision. Each Bank acknowledges that it has, independently and without reliance upon the Agent or the other Bank and based on the financial statements referred to in section 4.5 and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Bank also acknowledges that it will, independently and without reliance upon the Agent or the other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement."

13. The Credit Agreement is hereby amended by deleting Exhibit A and Exhibit B thereto and substituting in place thereof new Exhibit A and Exhibit B in the form of Exhibit 1, and Exhibit 2 attached hereto.

14. Concurrently with the execution of this First Amendment Agreement, Company shall execute and deliver to each of the Banks an Interim Note, dated the date of the initial loan by such Bank and being in the form and substance of the new Exhibit A to the Credit Agreement with the blanks appropriately filled (which Interim Note shall set forth on the grid attached thereto, the amount and date of each loan heretofore made by the payee thereof, the amount and the date of any payment thereon, and the unpaid principal balance thereof). Concurrently with that execution and delivery, such Bank shall immediately thereafter mark each Interim Note theretofore executed and delivered by Company and then outstanding "replaced" and return each such Interim Note so marked to Company.

15. The Security Agreement and the Guaranty are hereby amended by adding the words ", as amended," immediately after the date "September 17, 1976" in line two of Recital A.

16. The Security Agreement and the Guaranty are hereby amended by deleting the amount "\$7,000,000" in the last line of Recital A, and substituting for that deleted amount, the amount "\$9,000,000".

17. The Security Agreement and the Guaranty are hereby amended by adding the words ", as amended." at the end of the definition of "Debt Instruments".

18. The Guaranty is hereby amended by deleting the amount "\$7,000,000" from the fifth line from the bottom of section 5 and by substituting for that deleted amount, the amount "\$9,000,000".

19. The Security Agreement is hereby amended by deleting Schedule A thereto and substituting in place thereof new Schedule A in the form of Exhibit 3 attached hereto.

20. Each reference to the Credit Agreement, Security Agreement or Guaranty whether by use of the phrase "Credit Agreement", "Security Agreement" or "Guaranty" or the prefix "here" or otherwise contained in such documents or concurrently herewith or hereafter made in any writing pertaining or furnished pursuant thereto, shall hereafter be construed as a reference to such document as amended hereby. Except as herein and specifically provided to the contrary, the Credit Agreement, the Security Agreement and the Guaranty shall remain in full effect and be unaffected by this Amendment.

21. Company and Guarantor hereby represent and warrant to the Banks that (a) Company and Guarantor have legal power and authority to execute and deliver the within First Amendment Agreement; (b) the officers executing the same have been duly authorized to execute and deliver the same and bind Company and Guarantor with respect to the provisions provided for herein; (c) the execution and delivery hereof by Company and Guarantor and the performance and observance by Company and Guarantor of the provisions hereof do not violate or conflict with the Articles of Incorporation, Regulations or By-Laws of Company or Guarantor or any law applicable to Company or Guarantor or result in the breach of any provision of or constitute a default under any agreement, instrument or document binding upon or enforceable against Company or Guarantor; and (d) this First Amendment Agreement constitutes a valid and legally binding obligation upon Company and Guarantor in every respect.

22. No possible default exists under the Credit Agreement nor will any occur immediately after the execution and delivery of this First Amendment Agreement by the performance or observance of any provision hereof.

23. This First Amendment Agreement shall become effective when (a) duly executed by all the parties hereto; (b) the borrowings under the Credit Agreement, as amended hereby, the issuance of the Notes (as secured pursuant to the Security Agreement, as amended hereby, and as guaranteed pursuant to the Guaranty, as amended hereby) by the Company as contemplated in such Credit Agreement, as amended hereby, have been duly approved by the Interstate Commerce Commission pursuant to section 20(a) of the Interstate Commerce Act, as amended, as evidenced by an order of such Commission in full force and effect, and a copy of such order shall have been furnished the Banks; (c) the Banks have received a written opinion from Messrs. Hill, Lewis, Adams, Goodrich & Tait, counsel for Company, stating that the First Amendment Agreement is valid and binding on the Company in accordance with its terms; that the Credit Agreement, as amended hereby, the Security Agreement, as amended hereby, and the Notes (when executed and delivered by Company pursuant to such Credit Agreement, as amended hereby) are valid and binding obligations of the Company, enforceable in accordance with their terms except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally; that all necessary consents, approvals or authorizations of, or declarations or filings with, any governmental or public body or authority on the part of Company have been obtained or accomplished, including but not limited to the aforesaid order of the Interstate Commerce Commission; that the Security Agreement, as amended hereby, grants to National Bank of Detroit, as Security Agent for the Banks, a first and valid lien on the Collateral described in Exhibit 3 to this First Amendment Agreement; and that the Notes issued pursuant to the Credit Agreement, as amended hereby, are entitled to the benefits of the security offered by the Security Agreement, as amended hereby, and the Guaranty, as amended hereby; and (d) the Banks have received a written

opinion from the principal legal officer of Guarantor stating that this First Amendment Agreement has been duly authorized by all necessary corporate action of Guarantor and has been executed by the officer or officers so authorized to execute the same, and that the Guaranty, as amended hereby, is a valid and binding obligation of Guarantor enforceable in accordance with its terms except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally.

24. This Agreement may be executed in any number of counterparts each of which, when so executed and delivered shall be an original, but such counterparts shall together constitute one and the same instrument.

LAKE SUPERIOR & ISHPEMING RAILROAD COMPANY

By: James J. Sullivan Pres  
and Melvin W. Rossow Sec

THE CLEVELAND-CLIFFS IRON COMPANY

By: A. A. McNeil VICE PRESIDENT  
and W. B. Jackson ASSISTANT SECRETARY

THE CLEVELAND TRUST COMPANY, Individually and  
as Agent.

By: Larry C. Glasscock VICE PRESIDENT

NATIONAL BANK OF DETROIT, Individually and as  
Security Agent

By: David A. Fellingham  
VICE PRESIDENT

EXHIBIT A TO  
CREDIT AGREEMENT

## LAKE SUPERIOR &amp; ISHPEMING RAILROAD COMPANY

Interim Note\$5,400,000  
[3,600,000]\*\_\_\_\_\_, 197\_\_\_\_  
Cleveland, Ohio

FOR VALUE RECEIVED, the undersigned LAKE SUPERIOR & ISHPEMING RAILROAD COMPANY (the "Company") hereby promises to pay to the order of THE CLEVELAND TRUST COMPANY [NATIONAL BANK OF DETROIT] (the "Bank") on December 31, 1978, the principal sum of Five Million Four Hundred Thousand Dollars (\$5,400,000) [Three Million Six Hundred Thousand Dollars (\$3,600,000)] or the unpaid principal amount of all loans set forth on the grid attached hereto and made by the Bank to the Company under section 3 of the Credit Agreement hereinafter referred to, whichever is less, together with interest from the date hereof on the unpaid principal amount hereof, payable quarterly on March 31, June 30, September 30 and December 31 in each year, commencing December 31, 1976, at a rate per annum (based on a year of 360 days of twelve 30-day months) which shall be equal to the sum of (a) 120% of the prime rate of The Cleveland Trust Company (being the lowest rate of interest generally charged by The Cleveland Trust Company for unsecured short-term loans to its most creditworthy commercial borrowers) from time to time in effect, with each change in such prime rate resulting automatically and immediately in a change in the rate calculated under this clause, plus (b) three-eighths per cent ( $3/8$  of 1%). If this Note shall not be paid at maturity, it shall thereafter bear interest at a rate per annum (based on a year of 360 days of twelve 30-day months) equal to the greater of (a) nine and one-half per cent ( $9-1/2\%$ ), or (b) two and one-half per cent ( $2-1/2\%$ ) above the prime rate of The Cleveland Trust Company (as hereinabove defined).

Payments of both principal and interest shall be made in lawful money of the United States of America in immediately available funds at the principal office of the Agent under the Credit Agreement referred to below, 900 Euclid Avenue, Cleveland, Ohio 44101, or at such other place as such Agent shall specify to the Company in writing in accordance with such Credit Agreement.

This Note is one of the Interim Notes referred to in the Credit Agreement, dated as of September 17, 1976, as amended, among the Company, the Bank, another bank and The Cleveland Trust Company, as Agent (the "Agent" and the "Credit Agreement", respectively). This Note is secured by and entitled to the benefits of a Security Agreement, dated as of September 17, 1976, as amended, by the Company with National Bank of Detroit, as Security Agent, and of a Guaranty, dated as of September 17, 1976, as amended, by The Cleveland-Cliffs Iron Company with the Agent.

This Note may be prepaid at any time without premium or penalty subject only to the conditions of the Credit Agreement as to the minimum amount of prepayments in part and as to the proportionate prepayment of all Interim Notes then outstanding under the Credit Agreement. During the continuance of an event of default, as defined in the Credit Agreement, the principal of this Note and accrued interest thereon may, in the manner and with the effect described in the Credit Agreement, be declared immediately due and payable.

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\*

The bracketed material contains the alternate provisions that would be included in the Note payable to National Bank of Detroit.



Any payment hereunder which is to be made on a day which is not a business day (as defined in the Credit Agreement) shall be made on the next succeeding business day, but in the case of any payment of principal, interest shall continue to accrue and be payable thereon at the rate per annum specified herein during the period of such extension.

This Note shall be governed by and construed in accordance with the laws of the State of Ohio.

The Company hereby waives presentment, protest and notice of dishonor in respect of this Note.

The Company may at its option convert the unpaid principal amount of this Note, in whole or in part, on or prior to December 31, 1978, into a Term Note payable in thirteen or fourteen equal semi-annual installments, all upon the terms provided in the Credit Agreement.

The Company authorizes any attorney at law at any time or times after the due date of any payment of principal or interest hereon (whether at stated maturity, on an installment payment date, upon declaration of acceleration or otherwise) to appear in any state or federal court of record in the United States of America, to waive the issuance and service of process, to admit the nonpayment of this Note when due, to confess judgment against the Company in favor of the holder of this Note for the amount then appearing due, together with interest and costs of suit, and thereupon to release all errors and to waive all rights of appeal and stay of execution. The foregoing warrant of attorney shall survive any judgment, and if any judgment be vacated for any reason, the holder hereof nevertheless may thereafter use the foregoing warrant of attorney to obtain an additional judgment or judgments against the Company.

This Note has been executed and delivered by the Company in Cleveland, Ohio.

LAKE SUPERIOR & ISHPEMING RAILROAD COMPANY

By: \_\_\_\_\_  
Title:

And: \_\_\_\_\_  
Title:

"WARNING--BY SIGNING THIS PAPER YOU GIVE UP YOUR RIGHT TO NOTICE AND COURT TRIAL. IF YOU DO NOT PAY ON TIME A COURT JUDGMENT MAY BE TAKEN AGAINST YOU WITHOUT YOUR PRIOR KNOWLEDGE AND THE POWERS OF A COURT CAN BE USED TO COLLECT FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE CREDITOR WHETHER FOR RETURNED GOODS, FAULTY GOODS, FAILURE ON HIS PART TO COMPLY WITH THE AGREEMENT, OR ANY OTHER CAUSE."

<u>Date</u>	<u>Amount of Loan</u>	<u>Amount of Payment</u>	<u>Unpaid Principal Balance</u>	<u>Notation Made By</u>
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EXHIBIT B TO  
CREDIT AGREEMENT

LAKE SUPERIOR & ISHPEMING RAILROAD COMPANY

Term Note

\$ \_\_\_\_\_, 197\_\_  
Cleveland, Ohio

FOR VALUE RECEIVED, the undersigned LAKE SUPERIOR & ISHPEMING RAILROAD COMPANY (the "Company") hereby promises to pay to the order of THE CLEVELAND TRUST COMPANY [NATIONAL BANK OF DETROIT]\* (the "Bank") \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) together with interest from the date hereof on the unpaid principal amount hereof, payable semi-annually on June 30 and December 31 in each year, commencing on the first such date after the date hereof, (i) at a rate per annum (based on a year of 360 days of twelve 30-day months) for \_\_\_\_\_ % of such unpaid principal balance which shall be equal to the sum of (a) 120% of the prime rate of The Cleveland Trust Company (being the lowest rate of interest generally charged by The Cleveland Trust Company for unsecured short-term loans to its most creditworthy commercial borrowers) from time to time in effect, with each change in such prime rate resulting automatically and immediately in a change in the rate calculated under this clause, plus (b) during the period from the date hereof through June 30, 1984, five-eighths per cent (5/8 of 1%), and during the period from July 1, 1984 through June 30, 1985, three-fourths per cent (3/4 of 1%), and (ii) at a rate per annum (based on a year of 360 days of twelve 30-day months) for \_\_\_\_\_ % of such unpaid principal balance which shall be equal to the sum of (a) 120% of the prime rate of The Cleveland Trust Company (as hereinabove defined) from time to time in effect, with each change in such prime rate resulting automatically and immediately in a change in the rate calculated under this clause, plus (b) during the period from the date hereof through June 30, 1982, five-eighths per cent (5/8 of 1%), and during the period from July 1, 1982 through June 30, 1985, three-fourths per cent (3/4 of 1%). If this Note shall not be paid at maturity, it shall thereafter bear interest at a rate per annum (based on a year of 360 days of twelve 30-day months) equal to the greater of (a) nine and three-quarters per cent (9-3/4%), or (b) two and three-quarters per cent (2-3/4%) above the prime rate of The Cleveland Trust Company (as hereinabove defined).

The principal of this Note shall be payable in fourteen\*\* equal semi-annual installments on June 30 and December 31 in each year, commencing December 31, 1978.\*\*\*

\* The bracketed material contains the alternate provisions that would be included in the Note payable to National Bank of Detroit.

\*\* Insert "thirteen" in lieu of "fourteen" in the case of any Note dated December 31, 1978.

\*\*\* Insert "June 30, 1979" in lieu of "December 31, 1978" in the case of any Note dated December 31, 1978.

Payments of both principal and interest shall be made in lawful money of the United States of America in immediately available funds at the principal office of the Agent under the Credit Agreement referred to below, 900 Euclid Avenue, Cleveland, Ohio 44101, or at such other place as such Agent shall specify to the Company in writing in accordance with such Credit Agreement.

This Note is one of the Term Notes referred to in the Credit Agreement, dated as of September 17, 1976, as amended, among the Company, the Bank, another bank and The Cleveland Trust Company, as Agent (the "Agent" and the "Credit Agreement", respectively). This Note is secured by and entitled to the benefits of a Security Agreement, dated as of September 17, 1976, as amended, by the Company with National Bank of Detroit, as Security Agent, and of a Guaranty, dated as of September 17, 1976, as amended, by The Cleveland-Cliffs Iron Company with the Agent.

This Note may be prepaid at any time without premium or penalty subject only to the conditions of the Credit Agreement as to the minimum amount of prepayments in part and as to the proportionate prepayment of all Term Notes then outstanding under the Credit Agreement. During the continuance of an event of default, as defined in the Credit Agreement, the principal of this Note and accrued interest thereon may, in the manner and with the effect described in the Credit Agreement, be declared immediately due and payable.

Any payment hereunder which is to be made on a day which is not a business day (as defined in the Credit Agreement) shall be made on the next succeeding business day, but in the case of any payment of principal, interest shall continue to accrue and be payable thereon at the rate per annum specified herein during the period of such extension.

This Note shall be governed by and construed in accordance with the laws of the State of Ohio.

The Company hereby waives presentment, protest and notice of dishonor in respect of this Note.

The Company authorizes any attorney at law at any time or times after the due date of any payment of principal or interest hereon (whether at stated maturity, on an installment payment date, upon declaration of acceleration or otherwise) to appear in any state or federal court of record in the United States of America, to waive the issuance and service of process, to admit the nonpayment of this Note when due, to confess judgment against the Company in favor of the holder of this Note for the amount then appearing due, together with interest and costs of suit, and thereupon to release all errors and to waive all rights of appeal and stay of execution. The foregoing warrant of attorney shall survive any judgment, and if any judgment be vacated for any reason, the holder hereof nevertheless

may thereafter use the foregoing warrant of attorney to obtain an additional judgment or judgments against the Company.

This Note has been executed and delivered by the Company in Cleveland, Ohio.

LAKE SUPERIOR & ISHPEMING RAILROAD COMPANY

By: \_\_\_\_\_  
Title:

And: \_\_\_\_\_  
Title:

"WARNING--BY SIGNING THIS PAPER YOU GIVE UP YOUR RIGHT TO NOTICE AND COURT TRIAL. IF YOU DO NOT PAY ON TIME A COURT JUDGMENT MAY BE TAKEN AGAINST YOU WITHOUT YOUR PRIOR KNOWLEDGE AND THE POWERS OF A COURT CAN BE USED TO COLLECT FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE CREDITOR WHETHER FOR RETURNED GOODS, FAULTY GOODS, FAILURE ON HIS PART TO COMPLY WITH THE AGREEMENT, OR ANY OTHER CAUSE."

SCHEDULE A TO  
SECURITY AGREEMENT

DESCRIPTION OF COLLATERAL

<u>Type of Equipment</u>	<u>Number of Units</u>	<u>Identifying Road Nos.</u>
Ore Hoppers	277	1400-1699
	97	1700-1799
	96	1800-1899
	198	7000-7199
	286	7200-7499
	194	7500-7699
	192	7700-7899
	97	9000-9099
	294	9100-9399
	198	9400-9599
	60	9600-9659
	90	8500-8599
	189	8000-8199
Box Cars	11	2400-2489
	113	2500-2620
	10	2700-2709
Flat Cars	40	6200-6299
	35	6300-6347
Gondolas	13	6700-6748
	9	6749-6763
Covered	2	#1 and #2
Cabooses	1	#17
	1	#19
	4	#21 - #24
1600 H.P. Locomotives		1604
		1608
1800 H.P. Locomotives		1801
		1802
		1803
		1804
2500 H.P. Locomotives		2500
		2501

EXHIBIT 3

SCHEDULE A TO  
SECURITY AGREEMENT

DESCRIPTION OF COLLATERAL

<u>Type of Equipment</u>	<u>Number of Units</u>	<u>Identifying Road Nos.</u>
2250 H.P. Locomotives		2300 2301 2302 2303 2304
2400 H.P. Locomotives		2400 2401 2402 2403

The undersigned hereby certifies that the number of units shown on the attached Schedule A to Security Agreement represents all of the units owned by the Railroad within the range of identifying road numbers to which the number of units shown relates.

LAKE SUPERIOR & ISHPEMING RAILROAD COMPANY

By: \_\_\_\_\_

And: \_\_\_\_\_

\_\_\_\_\_, 197\_\_\_\_

Exhibit 3

STATE OF OHIO     )  
                              ) ss.  
CUYAHOGA COUNTY }

BEFORE ME, a Notary Public in and for said County and State, personally appeared the above-named THE CLEVELAND TRUST COMPANY, by LARRY C. GLASSCOCK, its Vice President, who acknowledged that he did sign the foregoing instrument for and on behalf of said Corporation, by authority of its Board of Directors, and that the same is the free act and deed of said Corporation, and the free act and deed of him personally and as such officer.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal, at Cleveland, Ohio, this 12th day of January, 1978.

  
NOTARY PUBLIC


GERALD M. SMITH, Attorney at Law  
Notary Public - State of Ohio  
My commission has no expiration date  
Sec. 147.03 R.C.



STATE OF OHIO     )  
                              ) ss.  
CUYAHOGA COUNTY )

BEFORE ME, a Notary Public in and for said County and State, personally appeared the above-named THE CLEVELAND-CLIFFS IRON COMPANY by S. S. McMILLAN III, its Vice President and M. E. JACKSON, its Assistant Secretary, who acknowledged that they did sign the foregoing instrument for and on behalf of said Corporation, by authority of its Board of Directors, and that the same is the free act and deed of said Corporation, and the free act and deed of each of them personally and as such officers.

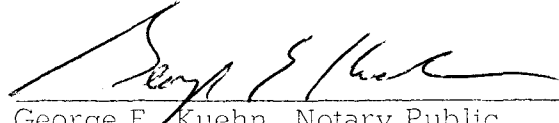
IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal, at Cleveland, Ohio, this 12th day of January, 1978.

  
NOTARY PUBLIC

GERALD M. SMITH, Attorney at Law  
Notary Public - State of Ohio  
My commission has no expiration date  
Sec. 147.03 R.C.

STATE OF MICHIGAN       )  
                                  ) SS:  
COUNTY OF WAYNE        )

On this 12th day of January, 1978, before me personally appeared James J. Scullion, Melvin W. Rossway and David A. Fellingham, to me personally known, who being by me duly sworn say that they are the President of Lake Superior & Ishpeming Railroad Company, Secretary of Lake Superior & Ishpeming Railroad Company, and Vice-President of National Bank of Detroit, respectively, and that the foregoing First Amendment Agreement was signed on behalf of said corporations by authority of their respective Boards of Directors, and each acknowledged that the execution of the aforesaid First Amendment Agreement was the free act and deed of said corporations.

  
\_\_\_\_\_  
George E. Kuehn, Notary Public,  
Wayne County, Michigan  
My commission expires June 12, 1978

(SEAL)

BUTZEL, LONG, GUST, KLEIN & VAN ZILE

1881 FIRST NATIONAL BUILDING

DETROIT, MICHIGAN 48226

(313) 963-8142

CABLE ADDRESS - "STARZEL"

LEO M. BUTZEL (1874-1961)

THOMAS G. LONG (1883-1973)

PHILIP T. VAN ZILE, II  
WILLIAM M. SAXTON  
MARTIN L. BUTZEL  
JOHN J. KUHN  
MALCOLM J. SUTHERLAND  
ROBERT J. BATTISTA  
JOHN P. WILLIAMS  
J. PATRICK MARTIN  
LAWRENCE R. VAN TIL  
GEORGE H. ZINN, JR.  
JOHN H. DUDLEY, JR.  
RICHARD E. RASSEL  
JON H. W. CLARK  
CHESTER E. KASIBORSKI, JR.  
RICHARD U. MOSHER  
DONALD B. MILLER  
JAMES E. STEWART  
JOHN J. RONAYNE, III  
VIRGINIA F. METZ  
ROBERT L. SPANGLER  
DAVID K. EASLICK, JR.  
DENNIS B. SCHULTZ  
ROGER L. GREGORY  
ROBERT B. CASSEY  
GREGORY S. MUZINGO

GEORGE E. BRAND, JR.  
HAROLD A. RUEMENAPP  
JAMES D. RITCHIE  
LESLIE W. FLEMING  
WILLIAM L. POWERS  
JAMES M. WIENNER  
ROBERT M. KLEIN  
XHAFAER ORHAN  
JOHN B. WEAVER  
KEMPF HOGAN  
ROBERT M. VERCRUYSSSE  
RICHARD D. GROW  
EDWARD M. KRONK  
PHILIP J. KESSLER  
THOMAS E. SIZEMORE  
JOHN P. HANCOCK, JR.  
BARBARA E. SCHLAFF  
GEORGE E. KUEHN  
JONATHAN R. HARRIS  
JERE D. JOHNSTON  
D. STEWART GREEN  
WILLIAM V. KOKKO  
GREGORY V. MURRAY  
MARK T. NELSON

BLOOMFIELD HILLS OFFICE

525 NORTH WOODWARD AVENUE

SUITE 1100

BLOOMFIELD HILLS, MICHIGAN 48304

(313) 646-7555

RECORDATION NO. 8488-B

Filed 1425

COUNSEL

ROBERT H. FELDMAN

MAR

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INTERSTATE COMMERCE COMMISSION

OF COUNSEL

WILLIAM T. GUST  
VICTOR W. KLEIN  
T. GORDON SCUPHOLM  
ALFRED W. MASSNICK  
ADDISON D. CONNOR  
JAMES E. LITTELL  
ELEANOR S. PAYNE  
GEORGE W. MENOLD

0-064A033

Detroit Office

February 26, 1980

Interstate Commerce Commission  
12th and Constitution Avenues, N.W.  
Washington, D.C. 20423

Date

MAR 4 1980

File #

10 00

Attention: Ms. Mildred Lee  
Room 2303

ICC Washington, D.C.

Re: Debtor - Lake Superior & Ishpeming Railroad Company  
Secured Party - National Bank of Detroit, as Agent  
for itself and Ameritrust Company  
(formerly The Cleveland Trust Company)  
Prior Recordation No. 8488

Dear Madam:

Enclosed for recordation is a document entitled "Fourth Amendment Agreement, dated as of February 22, 1980 by and among Lake Superior & Ishpeming Railroad Company, The Cleveland Trust Company, National Bank of Detroit and The Cleveland-Cliffs Iron Company.

The enclosed document amends a Security Agreement which was recorded in September of 1976 and bears Recordation No. 8488. The Security Agreement has been previously amended by a document entitled "First Amendment Agreement", which was recorded on January 16, 1978 and bears Recordation No. 8488-A.

Enclosed is a check in the amount of \$10.00 to cover the applicable recordation fee.

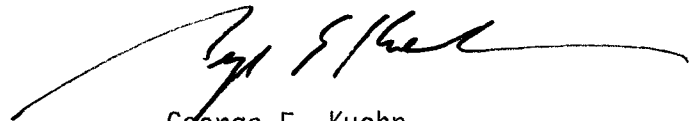
Interstate Commerce Commission  
February 26, 1980  
Page Two

Also enclosed is a duplicate copy of this letter together with a copy of the first page of the Fourth Amendment Agreement attached thereto. Please stamp either the letter or the first page of the Fourth Amendment Agreement, or both, to confirm your receipt and filing of the enclosed Fourth Amendment Agreement, and return the same to me in the envelope which has been enclosed for that purpose.

If you have any questions in this regard, please contact me at your earliest convenience.

Very truly yours,

BUTZEL, LONG, GUST, KLEIN & VAN ZILE



George E. Kuehn

106:1y  
Enclosures  
cc: Mr. James J. Scullion  
E. William Haffke, Esquire  
Mr. Robert S. Hays

**Interstate Commerce Commission**  
**Washington, D.C. 20423**

3/11/80

**OFFICE OF THE SECRETARY**

George E. Kuchn  
Buzdol, Long, Gust Klein & Van Zile  
1881 First National Building  
Detroit, Michigan 48226

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 3/11/80 at 10:00AM, and assigned recordation number(s). 8488-1

Sincerely yours,

*Agatha L. Mergenovich*  
Agatha L. Mergenovich  
Secretary

Enclosure(s)